

Congratulations to Kyle and Jill Jacobs on the birth of their daughter, Sierra Rose, on Saturday. I hope that they are able to get some sleep.

□ 1215

WORKING TOWARD A BETTER BANKING SYSTEM

The SPEAKER pro tempore. The Chair recognizes the gentleman from California (Mr. SHERMAN) for 5 minutes.

Mr. SHERMAN. Mr. Speaker, we seem to have escaped the critical stage of this bank meltdown. We have not escaped without cost.

The FDIC announced today that they—and this is a vague estimate—will have to spend \$20 billion with regard to Silicon Valley Bank. That money will then be collected by fees that are on banks—basically, on depositors—in coming years.

More importantly, our economy has faced a huge shock. Business loans that would have been made were not made in the last month and probably will not be made in months to come.

The only silver lining there is the Fed was looking to slow down the economy, but this is one hell of a way to do it.

We have a fundamentally undemocratic system for regulating banks.

First, for the regional banks, the district Reserve banks, their Boards of Governors are not selected through a process of democracy. Elections are supposed to have consequences, but neither Congress nor the President has any role in selecting most of these directors. Instead, they are selected by the banks. In what way should we have governmental power vested that way?

Then, we have the Financial Accounting Standards Board, which claims not to even be part of the government and, therefore, doesn't claim to be responsible to the voters of this country. Yet, it collects taxes and writes, in effect, accounting laws.

Finally, we have a forum-shopping system that allows a bank to have a holding company, not have a holding company, be State regulated, be Federal regulated, and pit one regulatory group up against another.

Many countries have had, for long periods of their history, zombie banks, where the government thinks it is best to hide the losses of the bank, and somehow, the economy can go on. It works for a while some of the time.

Unfortunately, we have a similar system here. We have a system where losses on bonds are not recognized by the bank and often not even looked at adequately by the regulators, but losses on Main Street loans are recognized before they occur, even if they do not occur, on an anticipated basis.

A bank whose bonds have gone up in value can classify those bonds as available for sale and recognize a profit. If the bonds have gone down in value, they just classify them as not available

for sale but to be held to maturity, a mere bookkeeping entry, and they don't have to recognize the losses.

Our banking system has \$600 billion, at least, of unrecognized losses where we are hiding the losses in the footnotes. Our regulators don't regularly look at this.

We have had stress tests where they looked for a number of stresses, but not the stress that interest rates will go up and bonds will go down in market value. That is like having a stress test on a building where you test it for a flood and don't bother to test it for an earthquake.

We need stress tests that look at the most obvious stress that banks will always have. Interest rates can go up; interest rates can go down. Regulators know that. They have chosen to hide it from themselves.

The FDIC insures deposits only up to \$250,000. That is a major increase from where it was 15 years ago. We might want to go higher, but if we do, we should limit that additional insurance to non-interest-bearing accounts.

When businesses are using the bank as a payment system, as a utility, when businesses instead want to invest \$1 million, \$2 million, \$3 million of their money, they have a responsibility for finding an investment vehicle, whether it be a bank or otherwise, that is sound.

We have to prohibit the exclusive banking relationships where companies were told by Silicon Valley Bank: "You must have all your spare cash in our bank, which means we, the bank, take a risk on you, but you have to bet your whole company that our bank will survive." We need companies to diversify their deposits.

Finally, cryptocurrency should not be listed on the balance sheets of any bank. It is simply way too speculative.

I look forward to working for a better banking system. My fear is that, like the losses on bonds, we will simply put under the carpet the losses and problems, go on saying we will patch it together, and not tell the American people that there are fundamental problems that should be addressed.

CALLING ATTENTION TO HIGHER EDUCATION PROBLEMS

The SPEAKER pro tempore (Mrs. MILLER-MEEKS). The Chair recognizes the gentleman from Wisconsin (Mr. GROTHMAN) for 5 minutes.

Mr. GROTHMAN. Madam Speaker, we have many problems today in higher education, one of which is the excessive kind of anti-God, liberal approach, leftwing approach, I will say, of the faculty in general, which, of course, flops over to the students. Some of it should be addressed, and we should try to get back to some sort of balance in higher education.

America is very divided today: about 50 percent more conservative and about 50 percent more leftwing, more progressive. Hypothetically, the faculty at

America's colleges and universities ought to reflect that.

Instead, a recent trend is going to push things in the exact opposite direction, and that is the movement of colleges and universities, including the colleges and universities with the highest reputations in the country, to get rid of standardized tests.

What result will getting rid of standardized tests have on the type of people who are admitted to all of our colleges and universities, but particularly our elite colleges and universities? Right now, a standardized test is something you either do well on or don't. A lot of people are nervous about standardized tests, but in any event, some determination has to be made on how some people get into college and some people don't.

As we get rid of standardized tests, we are going to put more weight on things like an essay students submit to try to get into college. We are going to put more weight on extracurriculars or nonprofits that students work for. What effect is that going to have on the type of students who are admitted?

Given that these are subjective determinations, we know very well the professors or other people on the admissions committees will look at where you are doing your extracurriculars. Are you active in an evangelical church? Are you active in a conservative political party? Or are you active in more left-leaning nonprofit organizations?

They will look at your essay, which is purely a subjective determination. The danger is that these leftwing faculty members will say: Oh, this person doesn't look like he will fit in here. This person is a conservative. This person is a Christian.

As a result, this ought to be of great alarm to everyone. Not to mention, the scores you get on these tests do a good job of predicting how well you will do in school. As a result, it is going to lower the quality of students.

Already you hear from employers that college graduates are not as qualified, that their work ethic isn't as good as new employees they had 20 years ago. What will be the effect of removing these standards?

Furthermore, it is going to have a negative impact, I think, on people who come from backgrounds without as much money. You only have so much time before you go to college to put together your resume. If you need more money, if you have to work, say, 30 hours a week at the local McDonald's, you don't have time to put together the long resume that looks so good at college admissions.

Today or in the past, with standardized tests, the kid who has to work 30 hours a week at McDonald's and doesn't have time for a lot of do-gooder causes can do a great job on his standardized test and still get in. This penalizes the person who has to do a lot of work on the outside and rewards the student who doesn't have to make any money on the side in high school.

This is certainly not something that we want, but it will unquestionably be the result of getting rid of standardized tests.

It will also increase the importance of, perhaps, high school grade points. One more time, a grade point is, to a certain extent, subjective, as well. We hear already in high school, but all the time in college—we will come back to that in a second. Already in high school, students have to lie a little bit on the essay because the teachers are very liberal.

I had a teacher who taught at a high school in Wisconsin, a very sizable high school, and she said she was the only Republican in the whole faculty of that high school. What does that say about your grade point coming out of high school? I don't know if I believe her—it was a very large high school—but she felt she was the only one.

In other words, what you are going to wind up with, once these subjective determinations are made, is you are going to have the same liberal bias that happens once you get into college.

I talked to an English professor at the University of Wisconsin.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. GROTHMAN. In any event, I strongly encourage this institution—

The SPEAKER pro tempore. The time of the gentleman has expired.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess until 2 p.m. today.

Accordingly (at 12 o'clock and 25 minutes p.m.), the House stood in recess.

□ 1400

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. LANGWORTHY) at 2 p.m.

PRAYER

The Chaplain, the Reverend Margaret Grun Kibben, offered the following prayer:

Almighty and all-loving God, we approach Your throne this day with prayers on behalf of those who perished in the recent tornadoes across the Southern United States and for the survivors who now find themselves searching for scraps of their livelihood amidst the devastation.

We pray especially for the men, women, and children of Rolling Fork and other towns like it as they face the monumental task of combing through the debris of their lives, establishing safe living conditions amidst downed power lines and fouled water sources, all the while grieving the inconceivable loss of loved ones and neighbors. Despite our own inability to grasp the

enormity of this tragedy, hear our prayers, as inadequate as they may seem to be in the face of this catastrophe.

You, O Lord, are our refuge and strength, a very present help in times of trouble. Grant, then, all who are enduring heartbreak and loss the courage to meet with strength the uncertainty ahead of them. Remind them, though the Earth should change, though the mountains shake in the heart of the sea, though the waters roar and foam, and though the mountains tremble with its tumult, You, O God, are in the midst of their city.

Lord of hosts, remain with Rolling Fork, for we believe You are the refuge for all who are lost, afraid, and anguished this day.

Hear our prayers as we offer them in Your most powerful name.

Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House the approval thereof.

Pursuant to clause 1 of rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from South Carolina (Mr. WILSON) come forward and lead the House in the Pledge of Allegiance.

Mr. WILSON of South Carolina led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

AMERICAN FAMILIES AT RISK

(Mr. WILSON of South Carolina asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WILSON of South Carolina. Mr. Speaker, last Thursday, Secretary of State Blinken admitted at the Foreign Affairs Committee hearing that 175 Americans are still in the terrorist safe haven of Afghanistan, despite the Biden promise of leaving no Americans behind.

President Donald Trump was correct; the surrender was the greatest foreign policy humiliation in U.S. history.

Biden refuses to release letters he claimed, on August 26, 2021, that blamed military leaders for his disastrous decision.

A March 6 Washington Post editorial said the Biden administration will be judged by victory in Ukraine, liberating all of Ukraine from war criminal Putin. Democracies with rule of law must prevail over authoritarians by rule of gun with the Ukraine invasion, Taiwan threats, and nuclear capabilities against Israel and America.

Sadly, with an open southern border with nearly 200 names of known terror-

ists crossing under Biden, American families have never been at greater risk of mass murder.

In conclusion, God bless our troops, who successfully protected America for 20 years from the global war on terrorism as it continues moving from Afghanistan's safe haven to America.

Our prayers for the families in Nashville.

APPOINTMENT OF MEMBERS TO BOARD OF VISITORS TO THE UNITED STATES MILITARY ACADEMY

The SPEAKER pro tempore. The Chair announces the Speaker's appointment, pursuant to 10 U.S.C. 7455(a), and the order of the House of January 9, 2023, of the following Members on the part of the House to the Board of Visitors to the United States Military Academy:

Mr. WOMACK, Arkansas

Mr. DAVIDSON, Ohio

APPOINTMENT OF MEMBERS TO BOARD OF VISITORS TO THE UNITED STATES COAST GUARD ACADEMY

The SPEAKER pro tempore. The Chair announces the Speaker's appointment, pursuant to 14 U.S.C. 1903(b), and the order of the House of January 9, 2023, of the following Members on the part of the House to the Board of Visitors to the United States Coast Guard Academy:

Mr. RUTHERFORD, Florida

Mrs. MCCLAIN, Michigan

APPOINTMENT OF MEMBERS TO JAPAN-UNITED STATES FRIENDSHIP COMMISSION

The SPEAKER pro tempore. The Chair announces the Speaker's appointment, pursuant to 22 U.S.C. 2903, and the order of the House of January 9, 2023, of the following Members on the part of the House to the Japan-United States Friendship Commission:

Mr. SMITH, Nebraska

Mr. TAKANO, California

APPOINTMENT OF MEMBER TO MIGRATORY BIRD CONSERVATION COMMISSION

The SPEAKER pro tempore. The Chair announces the Speaker's appointment, pursuant to section 2 of the Migratory Bird Conservation Act (16 U.S.C. 715a), and the order of the House of January 9, 2023, of the following Member on the part of the House to the Migratory Bird Conservation Commission:

Mr. WITTMAN, Virginia

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess subject to the call of the Chair.